

103D CONGRESS
1ST SESSION

H. R. 436

To amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to \$3,500, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. WOLF (for himself, Mr. KYL, Mr. TALENT, Mr. ACKERMAN, Mr. GOSS, Mr. ROHRABACHER, Mr. HALL of Texas, Mr. BAKER of Louisiana, Mr. BARRETT of Nebraska, Mr. BEREUTER, Mr. BUNNING, Mr. CALLAHAN, Mr. COBLE, Mr. COLEMAN, Mr. COX, Mr. DELAY, Mr. DOOLITTLE, Mr. DUNCAN, Mr. FRANKS of Connecticut, Mr. GILCHREST, Mr. GINGRICH, Ms. MOLINARI, Mr. MURPHY, Mr. NEAL of Massachusetts, Mr. NUSSLE, Mr. PACKARD, Mr. PAXON, Mr. HEFLEY, Mr. HUNTER, Mr. HUTTO, Mr. HANCOCK, Ms. NORTON, Mr. RAVENEL, Mr. ROTH, Mr. HERGER, Mr. SHAYS, Mr. SMITH of Oregon, Mr. SMITH of New Jersey, Mr. SPENCE, Mr. WALSH, Mr. SENSENBRENNER, Mr. GALLEGLY, Mr. HENRY, Mr. SOLOMON, Mr. INHOFE, Mr. YATES, Mr. HASTERT, Mr. CHAPMAN, Mr. TAYLOR of North Carolina, Mr. PARKER, Mr. SKEEN, Mr. JOHNSTON of Florida, Mrs. COLLINS of Michigan, Mr. BARTON of Texas, Mr. BURTON of Indiana, Mr. CUNNINGHAM, Mr. EMERSON, Mrs. VUCANOVICH, Mr. RAMSTAD, Mr. HANSEN, Mr. HYDE, Mr. LIGHTFOOT, Mr. LIVINGSTON, Mr. KILDEE, Mr. MAZZOLI, Mr. OXLEY, Mr. SCHIFF, Mr. MACHTLEY, Mr. MOORHEAD, Mr. MORAN, Mr. CONYERS, Mr. MYERS of Indiana, Mr. PETRI, Mr. FAWELL, Ms. MEEK, Mr. UPTON, Mr. OLVER, Mr. CLINGER, Mr. ZIMMER, Mr. GILLMOR, Mr. GEKAS, Mr. CRAPO, Ms. FOWLER, Mr. CRAMER, Mr. PORTER, Mr. SMITH of Texas, Mr. ARMEY, Mr. SANTORUM, and Mr. DORNAN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount of the exemption for dependent children under age 18 to \$3,500, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. STATEMENT OF CONGRESSIONAL FINDINGS.**

4 The Congress hereby finds that—

5 (1) the erosion of the personal exemption over
6 the past several decades has exacted an inordinate
7 financial penalty on families with children,

8 (2) the simplest and most effective way to rein-
9 vest and strengthen families is by allowing families
10 to keep more of their own hard-earned money,

11 (3) an increase in the dependent deduction
12 would begin to ease the growing financial strain on
13 families, and mark a return to tax fairness for fami-
14 lies,

15 (4) if the personal exemption had kept pace
16 with inflation, increases in per capita income and in-
17 creases in family costs, it would be approximately
18 \$8,000 today, and

19 (5) the dependent deduction should be raised to
20 \$3,500 with a goal to reach the appropriate level by
21 the year 2000.

1 **SEC. 2. INCREASE IN PERSONAL EXEMPTION FOR CERTAIN**
2 **DEPENDENT CHILDREN.**

3 (a) GENERAL RULE.—Paragraph (1) of section
4 151(d) of the Internal Revenue Code of 1986 (defining
5 exemption amount) is amended to read as follows:

6 “(1) IN GENERAL.—Except as otherwise pro-
7 vided in this subsection, the term ‘exemption
8 amount’ means \$2,000 (or, in the case of an exemp-
9 tion under subsection (c) for a child who has not at-
10 tained age 18 before the close of the calendar year
11 in which the taxable year begins, \$3,500).”

12 (b) CONFORMING AMENDMENTS.—

13 (1) Subparagraph (A) of section 151(d)(3) of
14 such Code is amended by striking “the exemption
15 amount” and inserting “each dollar amount in effect
16 under paragraph (1) (after any adjustment under
17 paragraph (4))”.

18 (2) Subparagraph (A) of section 151(d)(4) of
19 such Code is amended—

20 (A) by striking “the dollar amount” and
21 inserting “each dollar amount”, and

22 (B) by adding at the end thereof the fol-
23 lowing new sentence: “In the case of the \$3,500
24 amount contained in paragraph (1), the preced-
25 ing sentence shall be applied by substituting

1 ‘1993’ for ‘1989’ the first place it appears, and
2 by substituting ‘1992’ for ‘1988’.”

3 **SEC. 3. ROUNDING OF INFLATION ADJUSTMENTS.**

4 Paragraph (6) of section 1(f) of the Internal Revenue
5 Code of 1986 (relating to rounding) is amended to read
6 as follows:

7 “(6) ROUNDING.—If any increase determined
8 under paragraph (2)(A), subsection (g)(4), section
9 63(c)(4), section 68(b)(2), or section 151(d)(4) is
10 not a multiple of \$10, such increase shall be rounded
11 to the nearest multiple of \$10.”

12 **SEC. 4. EFFECTIVE DATE.**

13 The amendments made by this Act shall apply to tax-
14 able years beginning after December 31, 1992.

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